

INVENTORY
GROWTH



UNIT SHIPPED YTD

77,400

CHANGE FROM 2023

16.00%

MARKET
FUNDAMENTALS



OCCUPANCY RATE

94.8%

CHANGE FROM Q1 2023

+20bps

AVERAGE RENTS

\$717

CHANGE FROM Q1 2023

+7.2%

TRANSACTION
ACTIVITY (YTD)



MEDIAN SALE PRICE PER SPACE

\$49,150

CHANGE FROM Q1 2023

6.90%

MANUFACTURED HOUSING
3Q 2024

MARKET INSIGHTS

Occupancies hold steady, rents continue to rise

HIGHLIGHTS

- Operating conditions in the national manufactured housing market remained strong during the third quarter, as occupancy is elevated and rents continued to advance at a rapid pace. Shipments are up considerably from 2023 levels; year to date, 77,400 units have been shipped.
- Occupancy remained at 94.8 percent during the third quarter after trending higher for most of the past five years. Year over year, the occupancy rate has improved by 20 basis points.
- Rents continued to rise in recent months following strong growth in the preceding quarter. The national average rent rose 2 percent in the third quarter, reaching \$717 per month. During the past year, average rents surged by 7.2 percent.
- Investment activity picked up in recent months after a slow start to the year, as transaction volume during the third quarter more than doubled levels in each of the previous two quarters. Still, total sales year to date are down 9 percent from the same period of 2023. The median price to this point in 2024 is \$49,150 per space, up 20 percent from 2023.

MANUFACTURED HOUSING MARKET OVERVIEW

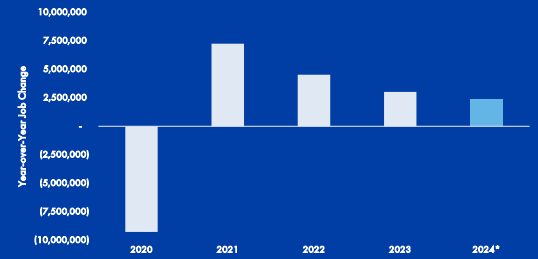
Consistently strong occupancy conditions in the national manufactured housing market continued to fuel strong rent growth across the country in the third quarter. The national occupancy rate held steady at 94.8 percent, matching the levels from the first two quarters of the year. Despite leveling off in recent quarters, the national occupancy rate rose by 20 basis points during the past year, a continuation of the improving trend that has been in place for the past several years. Rent increases have been particularly strong since 2022. Current rents are \$717 per month, up 7.2 percent during the past year. Cumulatively, average rents for manufactured housing communities have spiked by more than 20 percent since the end of 2021.

Buyers and sellers in the manufactured housing investment market appear to have aligned their expectations, as transaction volumes during the third quarter returned closer to traditional norms after being light during the first half of 2024. Total sales in the last three months more than doubled the limited levels recorded last quarter while outpacing the totals posted in the same period of 2023 by 21 percent. The surge in sales activity came at the same time as a dip in cap rates. Cap rates averaged between 6.25 percent and 6.5 percent during the third quarter, after averaging 7.5 percent in the first half of the year. Pricing remains elevated due in large part to gains recorded in high-activity states, California and Florida.

EMPLOYMENT

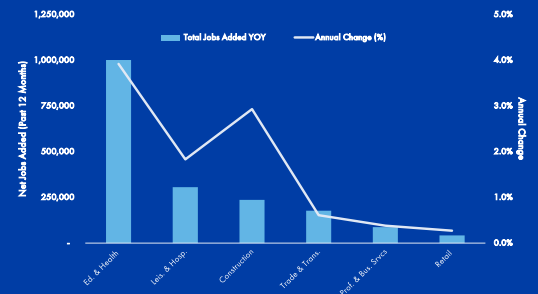
- Employers in the United States continued to add workers at a steady pace in recent months, with total hires during the third quarter closely tracking levels recorded in the preceding three months. Total employment in the United States expanded by 477,000 positions during the third quarter, after a gain of 442,000 net new jobs in the second quarter.
- National employment growth is tracking long-term expansion rates following the volatility of recent years. Year over year through the third quarter, total employment rose by more than 2.3 million workers, an increase of 1.5 percent.
- The education and health services sector continues to be the country's primary source of employment growth. During the past year, employers in this sector added more than 1 million jobs, expanding the headcounts in the sector by 3.9 percent.
- The construction sector added positions at a rapid clip during the past year, as the annual growth rate in this sector nearly doubled national levels. This industry expanded by 3 percent during the past 12 months with the addition of 238,000 workers.
- Gains were slower across trade, transportation, and utilities, which grew by just 0.6 percent in the past 12 months. Still, more than 175,000 jobs were added in this sector; of this total, only about 40,000 of these positions were made in the retail sector.
- Leisure and hospitality employment has expanded by 306,000 workers during the 12-month period ending in the third quarter, an increase of 1.8 percent. Total employment in the sector finally surpassed its pre-Covid peak in mid-2024 and will likely continue to expand as long as economic growth remains healthy.
- During the past year, Texas has led the United States in job additions, followed by California and Florida. These states have combined for net job gains of approximately 780,000 workers. Texas led the way with nearly 325,000 new employees, a 2.3 percent growth rate. Gains in California eclipsed 260,000 workers, while nearly 200,000 jobs were added in Florida.
- The Mountain states are recording continued gains. Led by rapid gains in Phoenix and Las Vegas, both Nevada and Arizona have posted annual growth rates of roughly 2 percent. During this time, Arizona added 65,600 workers, while Nevada employers hired 30,000 people. In Colorado, more than 48,000 jobs have been created, a 1.6 percent expansion.
- The labor market in Pennsylvania has posted substantial gains in recent quarters, with the growth rate in the past year outpacing national levels. Total employment in Pennsylvania increased by nearly 104,000 workers in the past 12 months, increasing by 1.7 percent.
- In the Southeast, Georgia and North Carolina recorded noteworthy job growth. Year over year, employers in North Carolina hired 73,200 new workers while employment in Georgia expanded by 60,600 employees.

U.S. EMPLOYMENT TRENDS



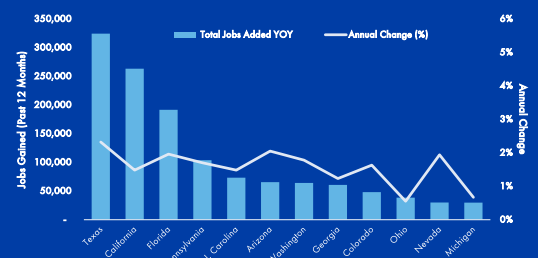
* 12-Month Period Ending 3Q 2024
Sources: Northmarq, Bureau of Labor Statistics

SECTOR EMPLOYMENT TRENDS



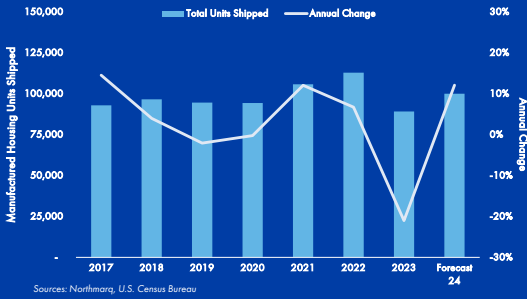
Sources: Northmarq, Bureau of Labor Statistics

EMPLOYMENT TRENDS BY STATE

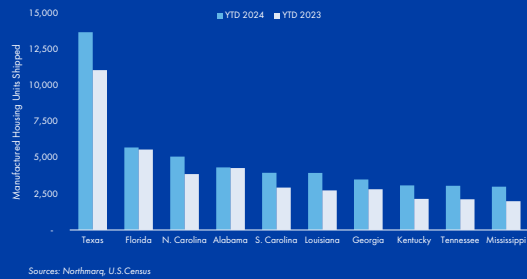


Sources: Northmarq, Bureau of Labor Statistics

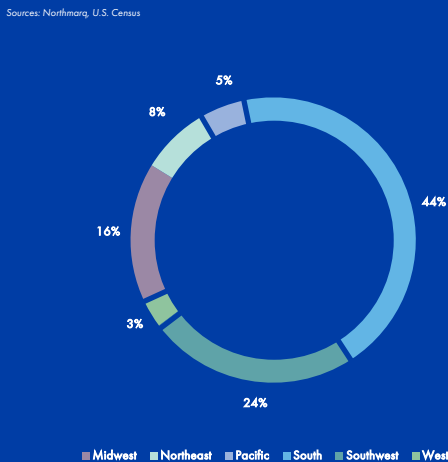
U.S. MANUFACTURED HOUSING SHIPMENTS



U.S. MANUFACTURED HOUSING SHIPMENTS BY STATE



U.S. MANUFACTURED HOUSING SHIPMENTS BY REGION



SUPPLY GROWTH

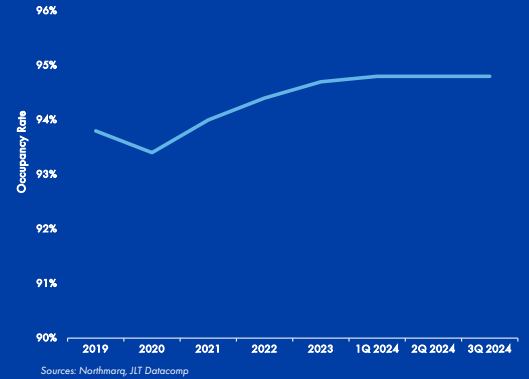
- Manufactured housing shipments slowed slightly in recent months after accelerating in the previous quarter. Approximately 26,200 units were shipped during the third quarter after shipments for 26,900 units occurred in the second quarter.
- National shipment totals have trended closer to long-term averages in 2024 after declining last year. To this point in the year, roughly 77,400 units have been shipped across the United States, up 16 percent from the same period of 2023. From 2017 to 2022, an average of 73,000 units were shipped during the first nine months of the year.
- Texas has been the clear leader for supply growth in 2024, with total shipments more than doubling levels recorded in the second leading state. Approximately 13,700 units were shipped to Texas during the first nine months of 2024, outpacing levels recorded in the same period of last year by 24 percent.
- Eight of the top 10 states for manufactured housing shipments in the country are located within the South region. Shipments for roughly 34,000 units were recorded in the South to this point in the year, up 21 percent from the same period last year.
- Florida remains the top southern state for shipments, as more than 5,700 units were shipped to the state during the past nine months. The Carolinas have been active as well. Approximately 5,100 units have been shipped to North Carolina year to date, up 31 percent from last year, while an additional 4,000 units have been shipped to South Carolina.
- Shipments to Tennessee and neighboring Kentucky have been elevated in recent quarters. Kentucky has recorded shipments of nearly 3,100 units thus far in 2024 while approximately 3,050 units were shipped to Tennessee. Year to date, shipment levels in each state are up nearly 45 percent from the previous year.
- Activity in the Midwest region picked up slightly in recent months, as more than 4,600 units were shipped to this region during the third quarter, up 3 percent from the preceding three months. To this point in 2024, shipments for nearly 12,600 units were recorded in the Midwest, up 7 percent from the same period of last year.
- Of the states that have recorded more recorded shipments of more than 1,000 units in 2024, Mississippi is posting the steepest year-over-year acceleration. Nearly 3,000 units have been shipped to Mississippi thus far in 2024, outpacing levels recorded last year by 50 percent.
- Shipments to the Pacific and Northeast regions have been relatively steady from 2023 to 2024. More than 6,200 units were shipped to the Northeast during the past nine months, while the Pacific region recorded shipments of more than 4,000 units year to date. Both metrics are up slightly from levels recorded in the same period of 2023.

OCCUPANCY

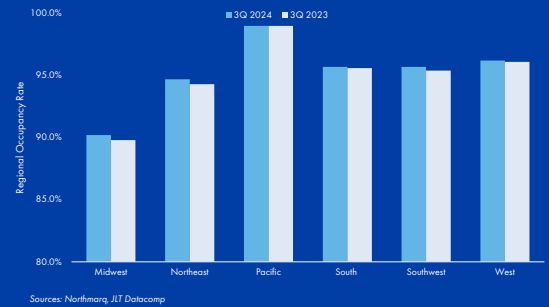
- After several years of improving, occupancies have steadied in 2024. The national occupancy rate remained at 94.8 percent during the third quarter. The rate has been 94.8 percent in each of the three quarters of this year.
- Despite leveling off in 2024, the national occupancy rate is up 20 basis points during the past 12 months. The national market has recorded year-over-year occupancy improvements in each of the past 14 quarters.
- The Midwest and Northeast regions recorded the steepest occupancy increases during the past 12 months. Occupancy rose by 40 basis points in both of these regions. The rate ended the third quarter in the Northeast at 94.7 percent, while reaching just 90.2 percent in the Midwest.
- Occupancy in the Southwest improved in recent quarters due in large part to the rate in Texas trending higher. The occupancy rate in the Southwest region closed the third quarter at 95.7 percent, up 30 basis points from one year ago. Occupancy in Texas improved by 70 basis points during the past 12 months to 96.9 percent.
- Florida continues to record steady occupancy conditions which carried over in the South region. Occupancy in Florida inched higher by 10 basis points in the past year to 96 percent. Year over year, occupancy in the South improved by 10 basis points to 95.7 percent. Improvements in Georgia in the past year also helped to fuel strong performance in the region.
- The occupancy rate in the Pacific region remains elevated with a current rate of 99 percent, unchanged from one year ago. California is the primary driver of these tight conditions; the occupancy rate in California ended the third quarter at 99 percent and has been above 98.5 percent for nearly three years.

The occupancy rate is up 20 basis points during the past 12 months.

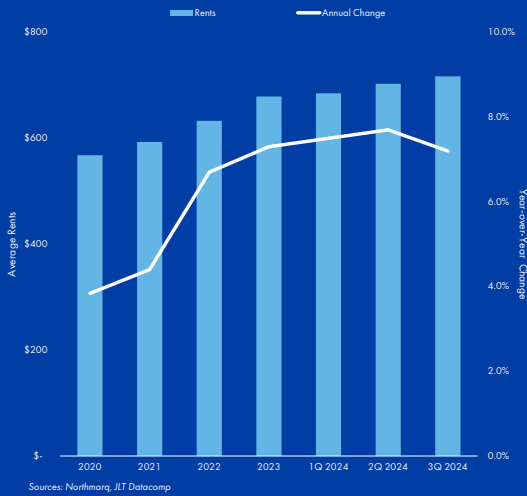
OCCUPANCY OVERVIEW



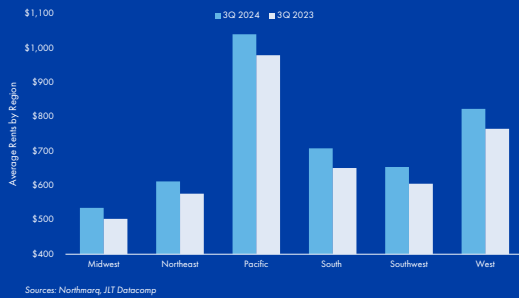
MANUFACTURED HOUSING OCCUPANCY BY REGION



RENTS OVERVIEW



MANUFACTURED HOUSING RENTS BY REGION



RENTS

- Rents for manufactured housing continued to rise in recent months. Average rents increased by 2 percent during the third quarter to \$717 per month. During the past 12 months, rents are up 7.2 percent.
- Rents advanced throughout the country during the past year, with the South region continuing to post the steepest increases. Average rents in the South rose by 8.8 percent in the past year to \$708 per month.
- Of the states in the South region, South Carolina posted the steepest rent growth in this period, with Florida also recording strong gains. Year over year, rents in South Carolina spiked by 13.1 percent to \$450 per month. Rents in Florida are currently \$740 per month, up 8.7 percent from one year ago.
- Rents in the Southwest recorded the second-highest rent growth of any region, fueled by strong rent gains in Arizona during the past year. Average rents in the Southwest rose 8.1 percent during the past year to \$654 per month. Year over year, rents in Arizona increased by 8 percent to \$675 per month.
- The Pacific states continue to record the highest rents in the country, having pushed past \$1,000 per month during the past year. Rents in this region rose 6.2 percent year over year to end the third quarter at \$1,040 per month.
- In the Midwest, Ohio posted steep rent increases during the past 12 months while gains in Michigan were more modest. Manufactured housing rents in Ohio reached \$465 per month, up 7.9 percent from one year ago. Rents in Michigan rose 5.5 percent in the past year to \$540 per month. Year over year, rents in the Midwest increased by 6.4 percent to \$535 per month.

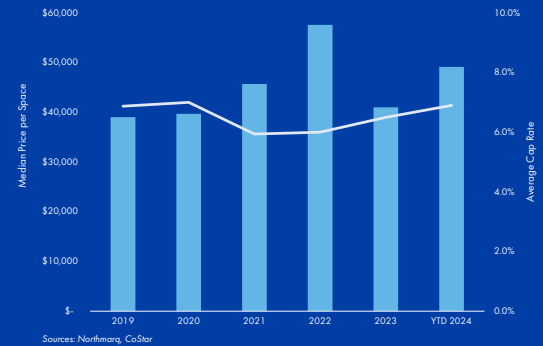
During the past 12 months, rents are up 7.2 percent.

MANUFACTURED HOUSING SALES

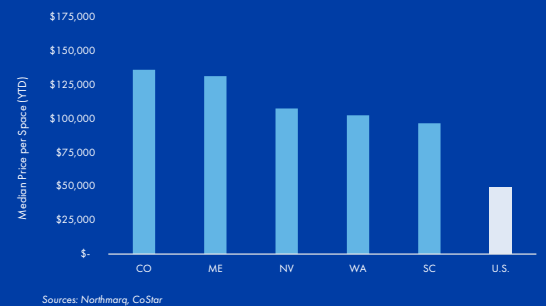
- Transaction volume for manufactured housing picked up in recent months after reaching a low during the first half of 2024. Total sales during the third quarter more than doubled levels recorded in the preceding three months. Additionally, sales in the third quarter outpaced year-earlier totals by 21 percent.
- With more transactions closing in recent months, cap rates declined during the third quarter. Cap rates averaged between 6.25 percent and 6.5 percent in transactions that closed in the third quarter after averaging 7.5 percent during the first half of the year.
- Pricing has remained elevated to this point in 2024. Year to date, the median price is \$49,150 per space, up 20 percent from levels recorded last year. The average transaction size has been on the rise. There have already been more sales topping \$10 million year to this point in 2024 than there were in all of 2023.
- Investment volume has been greatest in Florida and California this year, with these two states combining for roughly 25 percent of the country’s total transaction counts. There have been pricing increases in both states. The median price in California thus far in 2024 is \$92,400 per space, up 59 percent from last year. Florida has a median price of \$48,800 per space in the same frame, up 10 from 2023.
- Georgia and Texas are also leading states for sales activity to this point in the year. Pricing in Georgia has gained momentum; year to date, the median price in Georgia is \$62,000 per space, up from \$25,700 per space in 2023.
- Manufactured housing sales in New York have been elevated in recent quarters. More than a half-dozen properties have changed hands in the state this year, outpacing levels recorded in each of the previous three years and making New York one of the most active states for transaction volume in 2024. Sales have occurred near Binghamton, Albany, Ithaca, and Plattsburgh.
- Parks continue to sell in Ohio and Michigan. Combined sales totals from Ohio and Michigan have accounted for roughly 10 percent of national sales year to date.

Year to date, the median price is \$49,150 per space.

U.S. MANUFACTURED HOUSING SALES & CAP RATES



MANUFACTURED HOUSING SALES PRICES BY STATE





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